



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE
HUMAN RESOURCES DIVISION
HUMAN RESOURCES/COMPENSATION MANAGEMENT SYSTEMS
ONE ASHBURTON PLACE, BOSTON, MA 02108

ARGEO PAUL CELLUCCI

Governor

JANE SWIFT

Lieutenant Governor

EXECUTIVE COMMITTEE

James J. Hartnett Jr., Chairman

Martin Benison

Stanley Koplik

David Lewis

Dolores Mitchell

Maria Mossaides

Shannon P. O'Brien

Ann Reale Collins

Lynne Reed

ANDREW S. NATSIOS
Secretary

JAMES J. HARTNETT, JR.
Personnel Administrator

PATRICIA S. WADA
Project Director



MEMORANDUM

To: Cabinet Secretaries, Department and Agency Heads, State and Community
College Presidents

CC: Directors of Human Resources, Labor Relations and Payroll

From: James J. Hartnett, Jr., Personnel Administrator *James J. Hartnett Jr.*

Date: December 23, 1999

Subject: **Need for All Employees to Utilize Direct Deposit**

As you are aware, we are now engaged in implementation of the new Human Resources/Compensation Management System (HR/CMS), one of the largest and most far-reaching initiatives ever undertaken in the Commonwealth's human resources and payroll arena. For the past few years, many of you have provided strong support for this initiative and have lent staff resources to assist the Project Team in designing a state-of-the-art system that meets both the current and future needs of system users.

One of the key business objectives determined by the Executive Committee for the HR/CMS project was to have 100% of the Commonwealth's employees participating in direct deposit of their net pay with a financial institution of their choice, by the time of HR/CMS implementation early in the year 2000. Our success to date has been achieved through a strong, collaborative effort among the Office of the State Treasurer, Office of the Comptroller, State Employees Credit Union, New England Automated Clearing House, Fleet Bank and the Human Resources Division (HRD), supported by your cooperative efforts in your respective departments. **At this time, 80% of our employees are participating in direct deposit. While this is a significant number, we must attempt to enroll all remaining employees in a direct deposit program by January 17, 2000, (for employees in the PMIS system) or February 1, 2000 (for employees in the CAPS system) in order to ensure a smooth implementation of HR/CMS, which is imminent.** Direct deposit makes good business sense for both the

Commonwealth and its employees. Significant savings to the Commonwealth result from not having to print checks, and employees have the ability to access their money, which is quickly and securely deposited in their chosen accounts, without the delay and inconvenience of having to deposit a paper check in person at their bank or credit union.

In order to reach 100% participation in direct deposit, I need your help. I am asking that, during the next 2 weeks, you or another top administrator meet with every employee in your department who has not yet signed up (see attached lists of employees) and inform these employees of the importance of this initiative. Mandatory direct deposit for all employees in collective bargaining titles has been negotiated in the latest round of contracts. Clearly, it is expected that all managers will also comply with this important Administration initiative. The attached policy statement, which was developed by the HR/CMS Executive Committee, can provide you with some details on the direct deposit program.

You may wish to point out to employees that they do not have to open a checking account to participate in direct deposit, as interest-bearing savings and passbook accounts can also receive direct deposits. In fact, in order to meet employees' needs, HR/CMS will afford employees the opportunity to deposit their net pay into as many as ten different accounts (checking, savings and passbook). Your department payroll unit will be able to assist employees in the completion and submission of the application forms for direct deposit.

HRD is considering requests for a "hardship exemption" in the unlikely event that an employee feels that it would be a severe hardship to have his or her pay deposited directly into a bank account. Only in the most unusual and substantiated cases would an exception be allowed. If, while meeting with those employees who are still not on direct deposit, you are told of a hardship situation, please have the employee complete the attached form and forward it to HRD. For PMIS employees, the form should be received at HRD by January 10, 2000, and a HRD will make a decision by January 13; for CAPS employees, the form should be submitted to HRD by January 21, 2000 and HRD will make a decision by January 26.

In order to track our progress in reaching our goal of 100% participation in the direct deposit program, I am asking that you send an interim status report to HRD by January 7 for PMIS agencies or January 18 for CAPS agencies.

If you have any questions regarding this critical issue, please contact David McDonald, Director, Management Services and Research, at (617) 727-3555 x 528 or via e-mail at DMcDonald@hrd.state.ma.us.

Thank you for continuing to work with us in the creation of a new system that will bring innovative and positive changes to the management of the Commonwealth's valued human resources.

Attachments

Human Resources/Compensation Management System

Executive Committee Policy Statement on Direct Deposit

December 23, 1999

VISION

The vision of the Commonwealth is to pay all employees electronically and decentralize the printing and distribution of remittance advises to the employee's work location where they will be handed out to employees. HR/CMS will allow up to ten (10) direct deposit accounts (checking, savings, passbook) of an employee's net pay. Employees do not have to open checking accounts to participate in direct deposit. Interest bearing savings and passbook accounts can also receive direct deposits.

STATUTORY REFERENCE

Chapter 29, Section 31 states, in part that, "The state treasurer or other state official authorized to expend money on behalf of the Commonwealth may pay any salary, wages, or other compensation to any person in the service of the Commonwealth by means of deposits to employee bank accounts, provided employees have expressly authorized said deposits". For individuals in collective bargaining units, the bargaining representative has agreed to language which makes this express authorization for employees covered by such Agreements with the employer.

CURRENT STATUS

Eighty percent (80%) of the Commonwealth's employees participate in direct deposit of their net pay. This was achieved through a joint effort by Department Payroll Administrators, Fleet Bank, State Human Resources Division (HRD), Massachusetts State Employees Credit Union, New England Automated Clearing House, Office of the State Comptroller, and the Office of the State Treasurer and has increased employee awareness of the benefits of direct deposit.

NEXT STEPS

The HR/CMS Executive Committee requests that employers whom have negotiated direct deposit in their collective bargaining Agreements proceed with implementation of direct deposit for all employees covered by such Agreements. This task must be completed by January 17, 2000 for PMIS agencies and February 1, 2000 for CAPS agencies. In addition to current bargaining unit members, all new hires in bargaining units must be enrolled in Direct Deposit for net pay.

For management and other employees, employers must inform them of the Commonwealth's goal of 100% direct deposit and implement direct deposit for those individuals upon implementation of HR/CMS.

If an employee self-identifies as qualifying for a hardship exemption, please refer them to their local human resources staff for an application form. Hardship issues should be directed to the State Human Resources Division through the Appointing Authority for all Executive Department agencies, including the state and community colleges. For non-executive branch departments, HRD is willing to provide this service as well. Specific instructions will be issued in this regard by each non-executive branch department. The employee will be notified

in writing if the employee request is approved. Employees do not have to open checking accounts to participate in direct deposit. Interest bearing savings and passbook accounts can also receive direct deposits.

If you have any questions about this Policy please contact David McDonald at the Human Resources Division at (617)-727-3553 x528.

Direct Deposit Special Exemption Request

To request a Direct Deposit Special Exemption you must complete this form and submit it to your appointing authority or designee for their review and sign-off. The form needs to be received at HRD by January 10, 2000 for employees on the PMIS system and by January 21, 2000 for CAPS employees. The Human Resources Division will review all requests and issue its decisions by January 13, 2000.

Please mail or fax to: Human Resources Division, One Ashburton Place, Room 301, Boston, MA 02108
Attn: David McDonald FAX 617-727-1175

Full Name (First, Middle Initial, Last): _____

Department/Agency: _____ Social Security Number: _____

Job Title: _____ Work Location: _____

Bargaining Unit: _____

Home Address: _____

Work Telephone Number: _____

Direct Deposit Special Exemption Statement

Direct deposit would be a severe financial hardship for me because: (please attach additional sheets if necessary)

The following signatures are required before the Human Resources Division (HRD) will review this request:

Employee Signature

Appointing Authority or designee signature

This request has been reviewed and the following decision has been made:

Request Approved _____ Request Denied _____

Comments

Personnel Administrator

Date